

Message Text

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71

ACTION EUR-25

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NEA-10 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2226

C O N F I D E N T I A L OTTAWA 2878

E.O. 11652: GDS

TAGS: PINT, CA

SUBJECT: PARLIAMENT AND THE ENERGY CRISIS

1. SUMMARY: A PROGRESSIVE-CONSERVATIVE (PC) SPOKESMAN ANNOUNCED DEC 1 THAT PC OPPOSITION WILL PROPOSE NON-CONFIDENCE MOTION ON GOVERNMENT ENERGY POLICY FOR DEBATE IN COMMONS DEC 10. THIS LIKELY TO BE LAST OPPORTUNITY TO OVERTHROW PRIMIN TRUDEAU'S LIBERAL GOVERNMENT BEFORE CHRISTMAS RECESS AND DEBATE ON THRONE SPEECH, WHICH GENERALLY EXPECTED FOR FEB 1974. ATTITUDE OF NEW DEMOCRATIC PARTY (NDP), WHOSE VOTES ESSENTIAL TO GOVERNMENT SURVIVAL, STILL UNCLEAR. SOME MEMBERS OF NDP CAUCUS ARE INCREASINGLY UNHAPPY WITH PUBLIC IDENTIFICATION OF NDP WITH GOVERNMENT ENERGY POLICY, AND HAVE BEEN OUT-SPOKENLY CRITICAL OF HANDLING OF ENERGY ISSUE. PC MOTION WILL BE CAREFULLY WORDED TO HEIGHTEN THIS CONCERN AND EMBARRASS NDP PARLIAMENTARIANS. EMBASSY BELIEVES NDP WILL NEVERTHELESS SWALLOW PRIDE AND PROBABLY SUPPORT GOVERNMENT DEC 10, ALTHOUGH NOT WITHOUT SHARP DEBATE WITHIN NDP CAUCUS, IF ONLY BECAUSE DEFEAT IN DECEMBER MEANS ELECTIONS IN FEBRUARY FOR WHICH NO ONE WANTS RESPONSIBILITY. SHOULD ENERGY SITUATION DETERIORATE, HOWEVER, GOVERNMENT MAY FACE REAL PROBLEM IN OBTAINING NDP SUPPORT FOR THRONE SPEECH. END SUMMARY.

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2. NDP AND TORY ALTERNATIVES TO GOVERNMENT ENERGY POLICY (OR

LACK THEREOF) ARE ANYTHING BUT WELL DEFINED. NDP LEADER LEWIS HAS ATTACHED "RIP-OFF" OF EXCESSIVE PROFITS BY MAJOR OIL COMPANIES, AND THREATENED WITHDRAW SUPPORT SHOULD GOVERNMENT REMOVE PETROLEUM PRICE CEILINGS AS SCHEDULED JAN 31. (TRUDEAU HAS SINCE PROMISED PRICE WOULD NOT RISE WITHOUT LIMIT, AND THAT FIXED-INCOME FAMILIES WOULD BE SOMEHOW COMPENSATED SHOULD HOME-HEATING OIL BECOME TOO EXPENSIVE.) PC LEADER STANFIELD HAS URGED MORE DECISIVE ACTION TOWARD EAST-WEST PIPELINE CONSTRUCTION, AND THE NEED FOR NATIONAL SELF-SUFFICIENCY IN ENERGY. BUT WHILE STANFIELD MAY NOT HAVE READY ALTERNATIVES TO TRUDEAU POLICIES, GOVERNMENT RECORD IN PAST SEVERAL MONTHS LEAVES AMPLE TARGETS FOR CRITICISM. FAILURE TO CONSULT WITH PROVINCIAL GOVERNMENTS (AND U.S.) BEFORE IMPOSING EXPORT SURCHARGE; VACILLATION ON DECISION ON PIPELINE FROM TORONTO TO MONTREAL; INCONSISTENCIES IN PREDICTING SHORTFALLS, APPARENTLY DUE TO INADEQUATE CONSULTATIONS WITH MULTINATIONAL OIL FIRMS; AND, INDEED, GOVERNMENT FAILURE IN PAST SEVERAL YEARS TO CONFRONT ISSUES LIKE MACKENZIE PIPELINE AND TAR-SAND DEVELOPMENT CAN BE ATTACKED BY OPPOSITION AS WEAKNESS AND LACK OF PLANNING OR FORESIGHT. PC LEADERSHIP SEES ENERGY CRISIS AS HIGHLY EXPLOITABLE POLITICAL ISSUE, AND LEWIS HAS SAID ENERGY WOULD BE "THE ISSUE" IN NEXT ELECTORAL CAMPAIGN.

3. GOVERNMENT PLANS FOR RECESS NOT YET ANNOUNCED, BUT IF GOVERNMENT RECEIVES VOTE OF CONFIDENCE, DEC 10, HOUSE IS EXPECTED TO RISE ABOUT DEC 21. A CABINET RESHUFFLE HAS BEEN RUMORED, ALTHOUGH NO SOLID INFORMATION ON NEW PORTFOLIOS HAS EMERGED. A NEW SESSION MIGHT BEGIN WITH THRONE SPEECH, REQUIRING SEVERAL CONFIDENCE VOTES, IN EARLY FEB. LAST "OPPOSITON DAY" OF THIS SESSION IS DEC 10, AND CLAUDE WAGNER, PC STANDARD BEARER IN QUEBEC, HAS ANNOUNCED THAT PC'S WILL USE IT TO OFFER NON-CONFIDENCE MOTION ON ENERGY.

4. NDP FACES OBVIOUS POLITICAL DILEMMA. CONTINUED SUPPORT OF LIBERAL GOVERNMENT RISKS FURTHER IDENTIFICATION WITH ENERGY AND ECONOMIC POLICIES WHICH COULD ERODE NDP ELECTORAL SUPPORT. EARLY ELECTIONS, INVOLVING LIBERAL-PC CONFRONTATION ON ENERGY, COULD ALSO BE HARMFUL

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TO NDP, MANY OF WHOSE MEMBERS WERE ELECTED BY NARROW PLURALITIES IN 1972. CHANCES ARE THAT NDP WILL IN THE END SUPPORT GOVERNMENT DEC 10, WITH APPROPRIATE DISPLAY OF RELUCTANCE. TORIES, HOWEVER, ARE INCREASINGLY CONFIDENT THAT ELECTORATE IS SWINGING THEIR WAY. PC SOURCES REPORT PRIVATE POLLS INDICATING GAINS IN ATLANTIC PROVINCES AND EVEN QUEBEC, DESPITE OVERWHELMING LIBERAL VICTORY IN PROVINCIAL ELECTIONS THERE, AND PC

LEADERS ARE CAMPAIGNING VIGOROUSLY. ALTHOUGH MOST
OBSERVERS STILL BELIEVE ELECTIONS WILL BE DELAYED UNTIL
NEXT SPRING OR LATER, ENERGY CRISIS MIGHT YET PROVOKE
ITS POLITICAL COUNTERPART.
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